

Report on Business

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ALTERNATIVE ENERGY



A Toronto company hired by the Ontario government is probing for the 'cold hard facts' about health problems caused by the sounds emitted from wind turbines

NOISE DETECTIVES ON THE PROWL

BY RICHARD BLACKWELL

A small Toronto company that designed the acoustics of many of Canada's premier concert halls is now figuring out the best way to measure noise from wind turbines, a project that will have major implications for the country's burgeoning wind power industry.

Aercoustics Engineering Ltd., a 30-employee acoustical consulting firm, created the rich sounds of some of the classiest theatres in Canada - the new Four Seasons opera house and the Royal Conservatory of Music concert hall in Toronto, and Vancouver's Queen Elizabeth Theatre, among many others.

Now Aercoustics has won a

contract from the Ontario government to develop techniques for measuring the audible noise from wind turbines, and will deliver the results to the province this fall. There is no accepted procedure anywhere for measuring noise from turbines, Ontario officials say, so Aercoustics' report could help set standards across the country and internationally.

But the company is wading into what has become a controversial issue as wind farms sprout across Ontario and the rest of the country. While Ontario long ago set guidelines for the amount of noise turbines are allowed to emit, it has never had a consistent, formal method of measuring

that noise.

That has infuriated wind farm opponents. "These wind developments that are now in existence have gone forward without this kind of knowledge," said Beth Harrington, a spokeswoman for the Society for Wind Vigilance. "It's one of those cases of the cart before the horse."

Critics say the noise and vibrations from turbines can cause a variety of health problems - including stress and sleep deprivation - for those who live nearby. With more than 2,000 turbines already built across Canada and thousands more planned, increasing numbers of people will be exposed to the noise.

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Wind turbines near Pincher Creek, Alta.
LARRY MacDOUGAL FOR THE GLOBE AND MAIL

WHIRLING CONTROVERSY

The debate about the potential health impacts from wind turbines is intensifying as thousands of the huge structures pop up across Canada.

Critics of the industry cite dozens of reported cases around the globe where people living near wind farms say they have suffered headaches, sleep deprivation and other illnesses as a result of the audible noise, low frequency vibrations, and visual flicker from turbines.

But several reports from government agencies worldwide, including one last spring from Ontario's chief medical officer of health, say there is no direct link between wind turbine noise and the health of people living nearby.

The wind industry, too, insists there are no risks. Last year, the Canadian Wind Energy Association, along with its sister organization in the United States, released a paper authored by a panel of scientists who concluded that there are no direct physiological effects on people living near turbines.

Some of these reports do acknowledge, however, that turbine noise may annoy people living nearby, causing stress and disturbed sleep.

Wind energy critics, including the Canadian-based Society for Wind Vigilance, say more research is needed, including independent health studies to analyze the effects of turbine sounds and vibrations. They say that without common standards in place to measure turbine noise, it is premature to declare the problem non-existent.

» Richard Blackwell

MINING

Mine tax in limbo after Aussie election

Lack of clear winner leaves \$10-billion levy up in the air

BY BRENDA BOUW
MINING REPORTER, VANCOUVER

Billions of dollars worth of future projects and profits are in limbo for some of the world's major miners after no clear winner emerged from the weekend's Australian election, which was to decide the fate of a controversial new tax on its robust resource sector.

Australia, the world's largest exporter of coal and iron ore, faces several days of uncertainty as the two main parties scramble to win over independents to help form the country's first minority government in 70 years.

That leaves big-name miners such as Australian-based BHP Billiton Ltd., Anglo-Australian firm Rio Tinto Group and Canada's Barrick Gold Corp., all with significant operations in the country, waiting to see whether or not they will be forced to pay billions in new taxes.

For BHP, the world's largest mining company, the lack of clarity comes at a time when it is fighting an uphill battle to take over Potash Corp. of Saskatchewan Ltd. Analysts believe BHP will almost certainly need to increase its hostile \$38.6-billion (U.S.) bid to win control over the world's largest potash producer.

The indecision around the tax issue is also likely to cast a shadow over BHP's full-year profit and production figures, set to be released on Wednesday, and may temper the company's outlook on commodities, which it described last month as "cautious on the short term."

BHP has said it expects volatility to persist in China, which has been driving demand for metals, as the country looks to cool its red-hot economy.

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STATE OF THE ECONOMY

Bumpy economic road? Truck drivers don't think so

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TAKING STOCK

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As stock markets sink into a late summer funk, and commentators worry

crease that is in line with robust growth.

That positive indicator doesn't mean that a boom is ahead, but it does suggest that dire predictions of disaster should be put to one side.

"I don't think that a double dip is in the cards," said Ed

Highway to recovery

The Ceridian-UCLA Pulse of Commerce index tracks trucking activity to gauge the state of the U.S. economy.



REAL ESTATE

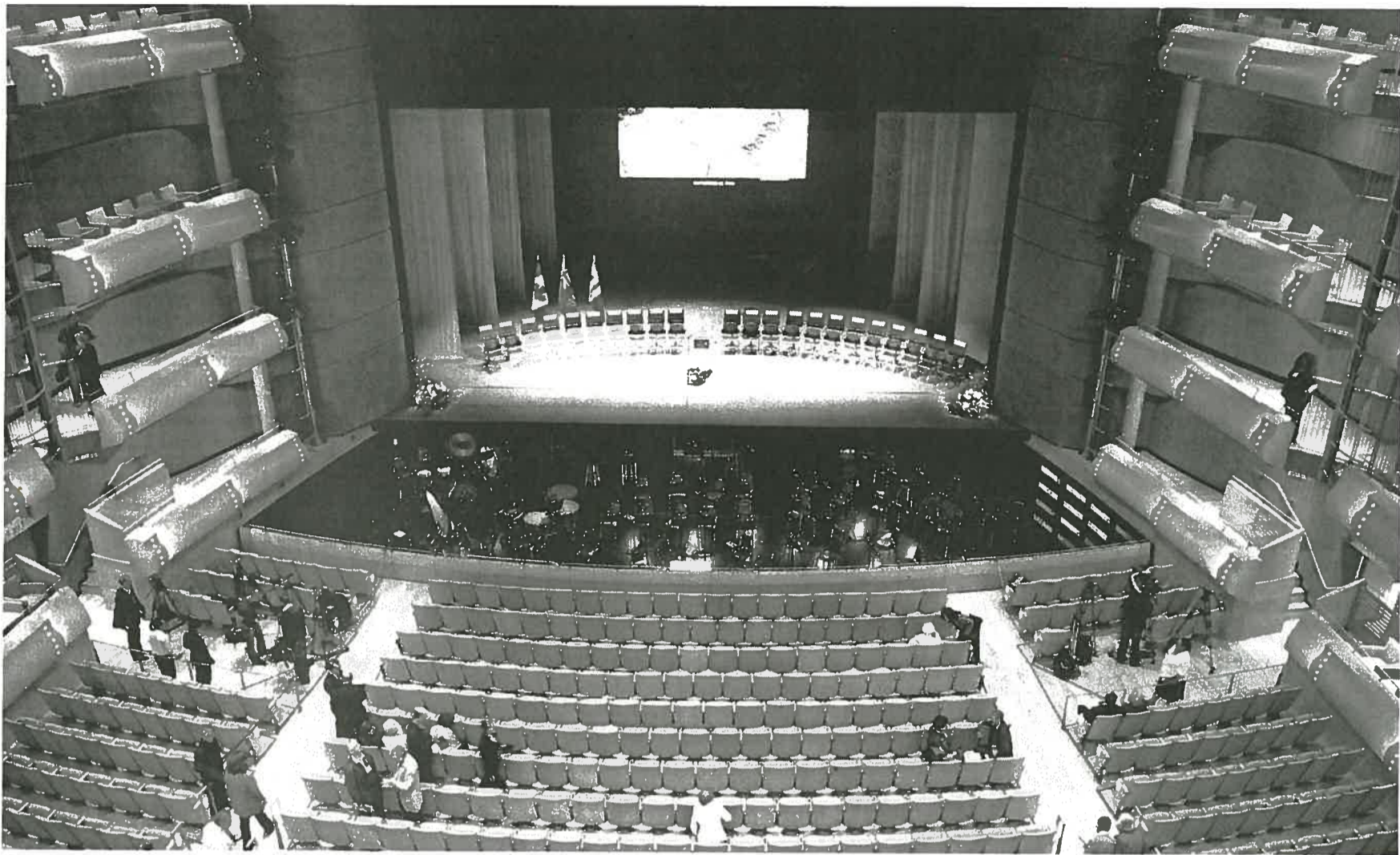
Making a profit from problem properties

BY STEVE LADURANTAYE
REAL ESTATE REPORTER

The Dominion Building in downtown Charlottetown was every landlord's nightmare

been discreetly disposing of problem properties for 15 years. It was a good call - Canada Lands sold the building last week for \$1-million, twice as much as it paid in 2007.

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Aercoustics Engineering Ltd., a 30-employee acoustical consulting firm, designed the sound for the Four Seasons Centre for the Performing Arts in Toronto. AARON HARRIS/CP

FROM PAGE 1
» AUSTRALIA

Uncertainty remains

Australia has become a key stronghold for the world's largest mining firms as they try to satisfy the strong demand for resources in China, as well as India. Miners have been pouring billions into Australia as a result of its seemingly stable tax and investment regime. The rebound in commodities coming out of the global economic downturn even helped Australia shake off a recession, posting a national jobless rate which now sits at about 5.3 per cent, almost half that of the United States.

Arguing mining companies weren't sharing the wealth from the resource boom, the incumbent centre-left Labor party proposed a new 40-per cent tax on producers in late April, to take effect in 2012. That caused a huge uproar among the powerful mining firms, whose backlash led in part to a party coup that put Julia Gillard in the prime minister's chair in June.

Within days, she negotiated a new proposal with BHP, Rio and London-based Xstrata PLC, agreeing to water down the tax to 30-per cent. Weeks later, she called an election.

Opposition Liberal leader Tony Abbott campaigned to axe the tax, which is estimated to generate about \$10.5-billion Australian (\$9.8-billion Canadian) in its first two years.

Now that neither leader has won enough seats to form a government, each will need to broker deals with independents to pass any proposed legislation. That makes the fate of the mining tax more uncertain, given that the third-place Greens leader Bob Brown wants to see the levy renegotiated to raise another \$2-billion (Australian).

"The mining tax will either be scrapped altogether, or may go back to some form of the original tax, possibly with an even higher tax rate to placate the Greens," said BMO Nesbitt Burns analyst Tony Robson.

The political upheaval was also set to drive down the value of the Australian dollar, while mining stocks are expected to be volatile in the days ahead.

"It creates uncertainty, and the markets hate uncertainty," Mr. Robson said.

To form a minority government, and in turn push through its proposed mining tax, the Labor party is said to need support from three independents. Meanwhile, the Greens are more interested in passing a carbon tax and could back down on the mining levy as part of a compromise, analysts say.

That could eliminate the possibility that the tax will go higher than 30 per cent. Still, given that the independents appear to be split on the mining tax, it's unclear which way a vote will go.

"There is a small probability that the [tax] could be lowered," Barclays Capital said in a note.

For BHP, because of its market heft, the new mining tax is expected to have a limited impact on its business, according to Glyn Lawcock, head of the Australian mining and energy team at UBS Securities.

"The ability to write assets up to market value provides a shield to the tax and while the early years may see an in-

Most complaints come at low wind speed

Many wind developers dismiss worries about turbines' possible effect on health, saying there is no evidence of such a link.

Aercoustics' executives are careful not to take sides in the debate. "[We're] coming at it from an engineering point of view, [so] it's got to be objective," said John O'Keefe, a principal of Aercoustics and one of the company's five shareholders. The idea is to be able to determine "cold hard facts, measured consistently."

In addition to its work with concert halls, Aercoustics has established itself as an innovator in industrial and environmental work. It designed a rubber isolation system that keeps residents of a condo building constructed directly over Toronto's Bloor subway line from feeling any vibration from the trains below.

And it has helped companies ranging from ethanol producers to gravel quarries mitigate their sound problems.

Mr. O'Keefe noted that just because no one has yet made a convincing scientific case for the link between turbine noise and health, that doesn't mean

one doesn't exist. "What we have to do as engineers is to keep an open mind," Mr. O'Keefe said.

Essentially, Aercoustics will recommend to the government how best to measure turbine sounds: what kind of measuring equipment to use, where to place the sensors and at what height, and how to filter out the buffeting from the wind.

Mr. O'Keefe said the techniques will allow a consistent "apples to apples" comparison of wind turbine noise at different sites, so the government can see if developers are complying with the rules and investigate noise complaints.

One key issue, said Aercoustics principal Vince Gambino, is to differentiate the sound of a turbine from the background noise of the wind. "There's some difficulty in sorting out what component of the sound is from the wind and what component is from the turbine itself," he said. Aercoustics is developing sophisticated analysis software that can help sort that out.

Most complaints about turbine noise come when wind speeds are low to moderate – below about 25 kilometres an

ACOUSTIC ADVANCES

Aercoustics Engineering Ltd. principal John O'Keefe says one of the key advances in acoustics in recent decades has been the recognition that experiencing sound is multidimensional.

Just as a restaurant outing involves more than just the taste of the food (ambience and service are also crucial), the experience of sound includes multiple dimensions, he said.

Acoustical engineers designing concert halls in the past focused almost exclusively on reverberation time – how long it takes the sound from the music to decay. In recent decades, they've realized that other factors such as clarity (the ability to differentiate sounds), lateral energy (sound from the side) and loudness are also important.

At the same time, the technology for measuring, analyzing and modelling sound improved dramatically, Mr. O'Keefe said.

"Suddenly, with the power of a desktop you could build a computer model of a concert hall and you didn't need a mainframe."

Among Aercoustics' current clients is Imax Corp., the big-screen movie company that is planning to build a series of portable, inflatable theatres for special events or in non-traditional markets. Aercoustics is helping Imax understand the acoustics of the innovative structures, which seat about 450 people.

"No one ever really cared about the acoustics of a plastic building before, Mr. O'Keefe said. While the acoustics of wood, drywall and fibreglass are well understood, he said, it is a challenge to figure out how sound bounces around inside what is essentially a large plastic bubble.

» Richard Blackwell

FROM PAGE 1 » MCGUGAN

Index tracks diesel fuel purchases in the United States

In the current situation, with U.S. housing starts and car sales still far below their peaks of years past, it's difficult to make the case that large imbalances still exist.

Housing starts, for instance, are hovering around 600,000 units a year, far below the 1.5 million or so that used to be typical. Light vehicle sales are running at a pace of about 12 million a year compared to 16 million three years ago. "It's hard to see those cyclical components declining further," Mr. Leamer said.

History provides no examples of the U.S. economy falling back into recession in circumstances like the present. The 1938 recession, held up by some as an example of a double dip, occurred after five years of rebounding economic activity. The 1982 recession, which followed on the heels of the 1980 recession, was the result of what Mr. Leamer calls "wild and woolly monetary policy" that raised interest rates to double-digit rates in a bid to stamp out inflation. Rather than slipping back-

measure how much diesel fuel is being purchased in the United States. Those fuel purchases closely track the amount of trucking activity on the country's highways. That activity provides an up-to-the-moment gauge of the amount of goods being shipped and, hence, economic growth.

In July, the index jumped 1.7 per cent, a figure that, according to Mr. Leamer's statistical models, would be in line with a U.S. economy surging ahead at about 5 per cent a year. He cautioned that it will take another couple of months to

Survey of Professional Forecasters conducted by the Federal Reserve Bank of Philadelphia. The survey, which tracks the outlook of 36 forecasters, finds that the pros are slightly more negative than they were a quarter ago. Still, they see no more than a 17-per cent chance of a decline in GDP over the next year. Most believe the U.S. economy will grow between 2.6 and 3.6 per cent a year between now and 2013 – not spectacular performance, but far from a recession.

Freight rail traffic, one of the

es suggest the risks of a double-dip U.S. recession are small, they also indicate that growth may lag behind the rates necessary to substantially reduce U.S. joblessness. "That is the major risk going forward – that unemployment will continue to surprise in the wrong direction," Mr. Leamer said.

Still, he is confident that the U.S. recovery is going to be better than the double-dippers think. "The emotional distress caused by 2008 is still gripping us," he said. "People are nervous. Even a small news item